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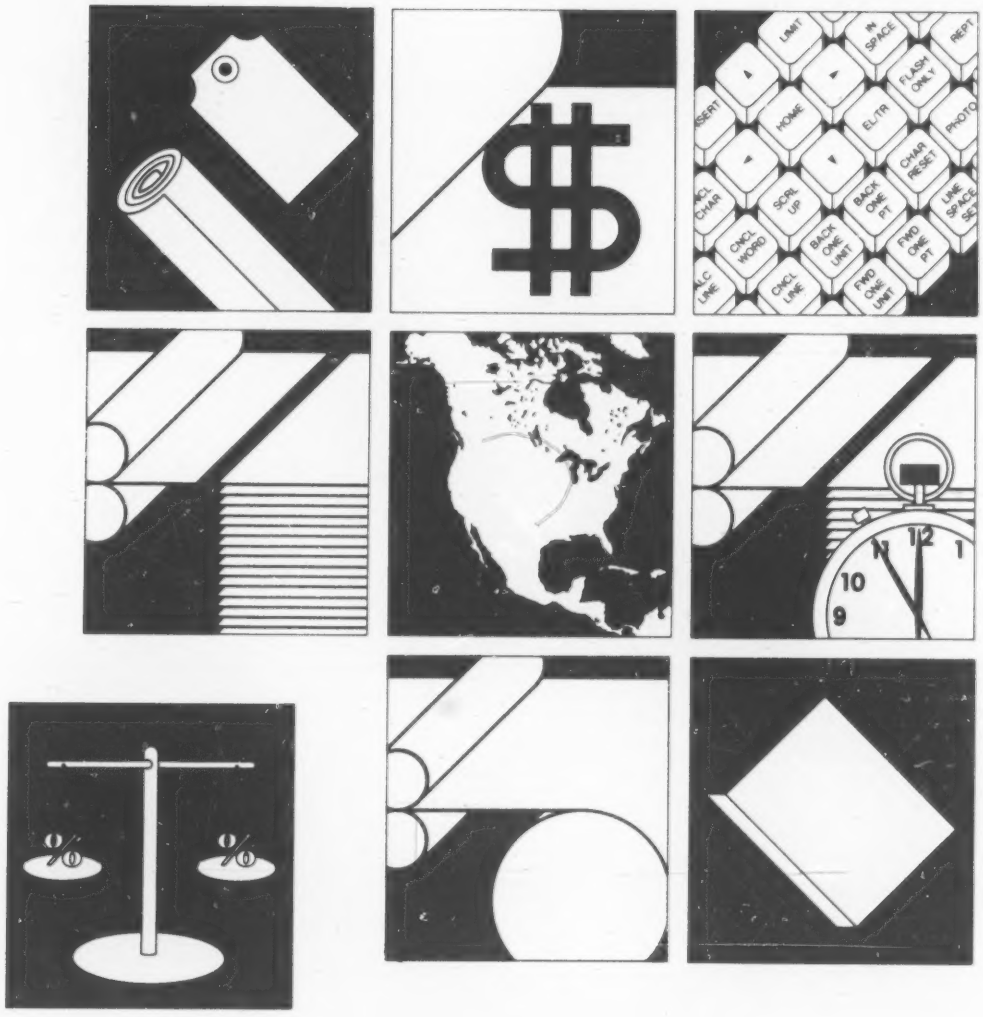
PPA INC

FINANCIAL SERVICES

1985 Financial Ratio Study



Volume XII
Preparatory Specialists

ABOUT PIA...

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Financial Services offers the following products and services:

- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial services package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
- Money Manager - A Monthly Financial newsletter with an exclusive print activity forecast: PrintOutlook
- Reprints of "Economics and Financial Management" articles from issues of PIA Management News
- Financial Management/Investment Banking Seminars
- Production Profit Target Program: production guidelines for sheetfed presses, web presses, bindery, and prepress equipment

For further information, contact:

William A. Rose, II
Director, PIA Financial Services
1730 North Lynn Street
Arlington, Virginia 22209
703/841-4805

PIA's Education and Publication Services is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980's (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981–82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation

Members may obtain these books through their PIA Affiliated Associations' Graphic Arts Bookstores, or by calling 1-800/PIA-DATA. Available free upon request from PIA is PrintCatalog, a comprehensive listing of all the publications and programs offered by all components of PIA. For further information about how to order or about the contents of publications, contact:

Printing Industries of America, Inc.
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Volume XII: Preparatory Specialists

An Annual Financial Survey Conducted By:
PIA Financial Services
1730 North Lynn Street
Arlington, VA 22209

Accounting Firm:

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New York and Philadelphia (Bala Cynwyd)

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PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

Dear Colleague:

1985 is the 62nd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S., Canada, and throughout the world. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1985 PIA FINANCIAL RATIOS FOR PREPATORY SPECIALISTS who participated in the 1985 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 46 firms and presents the ratios and statistics of Preparatory Specialists by sales volume, product specialty and market.

Thus the user of the report can direct himself to the standards for his sales size — for example, sales to $500,000, sales from $500,000 to $1,500,000 etc.; market — for example Printers and Lithographers, Advertising Agencies, etc. and type of work — for example, Black and White and Color Work. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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The Graphic Preparatory Association is a special industry unit of PIA which represents and supports the common interests of preparatory trade plants in serving the Graphic Arts Industry. This study of the financial ratios of preparatory specialists is but one of the services GPA offers to its members.

Each year GPA holds two major meetings. In the spring, there is a Technical Awareness Seminar for Management. The two-day session is designed to update members of technological changes in the industry. In the winter, GPA holds its Annual Meeting in a resort location. This three-day session allows a maximum flow of information among the membership through its half-day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, the Association's monthly newsletter *UP FRONT* has become a technical and management resource to over 800 Preparatory Industry leaders. Allowing them to quickly update themselves is the technical and industry news which is of interest to the Preparatory Specialist.

GPA prepares compensation surveys, a quarterly industry activity survey, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a preparatory trade plant serving the GPA Industry. Associate membership is open to any PIA member engaged in the manufacture or distribution of supplies or equipment for use in the preparatory industry.

Ronald S. Ballard
Executive Director
Graphic Preparatory Association
(815) 734-4178

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	2.15	0.50	6.68
Other chargeable materials	14.59	13.93	11.40
Outside services	3.77	5.30	5.24
TOTAL MATERIALS	20.51	19.73	23.32
FACTORY PAYROLL	35.71	33.61	30.85
FACTORY EXPENSES	13.44	12.31	15.55
TOTAL FACTORY COST OF PRODUCT	69.66	65.65	69.72
GROSS PROFIT	30.34	34.35	30.28
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	12.58	11.25	17.76
Selling expenses	10.65	9.89	4.12
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.23	21.14	21.88
INCOME BEFORE INTEREST EXPENSE	7.11	13.21	8.40
Interest expense	2.55	2.04	3.96
OPERATING INCOME	4.56	11.17	4.44
Other income (expense)	0.28	0.05	(0.07)
INCOME BEFORE INCOME TAXES	4.84	11.22	4.37

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.20%	0.11%	0.00%
Film	9.56	9.31	11.40
Plates	1.15	1.41	0.00
Other chargeable materials	3.68	3.10	0.00
TOTAL OTHER CHARGEABLE MATERIALS	14.59	13.93	11.40
OUTSIDE SERVICES			
Composition	0.15	0.07	1.07
Offset preparation	1.14	1.96	0.88
Printing	1.19	1.48	1.32
Binding	0.21	0.25	1.06
Other outside services	1.08	1.54	0.91
TOTAL OUTSIDE SERVICES	3.77	5.30	5.24

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%
0.36	0.53	0.00	2.48	0.73
14.15	17.55	14.46	13.85	13.32
3.18	4.55	8.29	3.20	4.58
17.69	22.63	22.75	19.53	18.63
42.41	33.24	29.09	36.31	36.10
14.36	12.61	12.30	13.18	12.25
74.46	68.48	64.14	69.02	66.98
25.54	31.52	35.86	30.98	33.02
14.86	12.84	13.60	10.72	9.74
8.02	11.73	9.39	12.18	10.17
22.88	24.57	22.99	22.90	19.91
2.66	6.95	12.87	8.08	13.11
1.14	3.31	0.90	2.23	2.40
1.52	3.64	11.97	5.85	10.71
1.36	(0.47)	(1.75)	0.47	0.64
2.88	3.17	10.22	6.32	11.35
0.42%	0.10%	0.00%	0.22%	0.15%
6.28	9.48	8.91	9.95	9.19
2.64	1.98	2.77	0.65	0.84
4.81	5.99	2.78	3.03	3.14
14.15	17.55	14.46	13.85	13.32
0.00	0.09	0.22	0.07	0.03
0.24	0.96	1.87	1.42	1.89
1.22	2.27	2.59	0.56	1.27
0.00	0.00	0.00	0.23	0.37
1.72	1.23	3.61	0.92	1.02
3.18	4.55	8.29	3.20	4.58

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.80%	2.25%	5.89%
Direct wages	25.44	24.29	18.31
General factory salaries and wages	1.42	1.29	0.00
Packing, shipping and delivery wages	0.84	0.32	2.54
Payroll taxes	2.23	2.27	1.89
Employee benefits	2.98	3.19	2.22
TOTAL FACTORY PAYROLL	35.71	33.61	30.85
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.33	0.19	0.55
Depreciation - other	4.51	4.74	4.42
Taxes - real estate	0.14	0.15	0.04
Taxes - other	0.11	0.18	0.09
Insurance	0.69	0.51	1.29
Building rent	1.62	0.98	3.22
Utilities - heat, light, etc.	1.21	0.93	1.15
Equipment rental	0.84	0.28	1.74
Total Fixed Expenses	9.45	7.96	12.50
Other Expenses			
Factory supplies and expense	1.11	1.46	0.66
Packing, shipping and delivery expense	0.98	0.78	0.70
Repairs and maintenance	1.49	1.52	1.65
Other factory expenses	0.41	0.59	0.04
Total Other Expenses	3.99	4.35	3.05
TOTAL FACTORY EXPENSES	13.44	12.31	15.55
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.81	3.25	6.17
Salaries - office	2.52	2.13	3.16
Payroll taxes	0.72	0.61	0.64
Employee benefits	0.84	0.56	0.68
Bad debts	0.68	0.39	1.49
Office supplies and expenses	0.48	0.48	0.79
Professional fees	0.79	0.82	1.29
Taxes - business	0.27	0.37	0.49
Telephone	0.69	0.51	0.72
Other administrative expenses	1.78	2.13	2.33
TOTAL ADMINISTRATIVE EXPENSES	12.58	11.25	17.76
SELLING EXPENSES			
Salaries - executive	1.43	0.80	0.76
Salaries and commissions - salesmen	5.38	4.95	0.65
Salaries - sales office clerical	0.37	0.76	0.00
Payroll taxes	0.32	0.28	0.00
Employee benefits	0.32	0.33	0.07
Advertising	0.72	0.65	1.62
Travel and entertainment	1.47	1.58	0.58
Other selling expenses	0.64	0.54	0.44
TOTAL SELLING EXPENSES	10.65	9.89	4.12

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.90%	2.54%	2.31%	1.98%	1.86%
32.84	24.04	20.40	25.79	26.47
0.03	0.96	0.19	2.34	1.80
0.58	0.70	0.09	0.60	0.44
2.15	2.70	3.46	2.09	1.91
2.91	2.30	2.64	3.51	3.62
42.41	33.24	29.09	36.31	36.10
0.04	0.64	0.00	0.20	0.28
4.68	3.45	3.94	5.06	5.28
0.25	0.12	0.10	0.15	0.18
0.00	0.09	0.19	0.16	0.19
1.97	0.57	1.15	0.28	0.26
1.65	1.56	0.80	1.29	0.71
1.73	1.30	1.36	1.03	0.87
0.22	0.61	0.02	0.92	0.13
10.54	8.34	7.56	9.09	7.90
0.90	1.11	2.07	1.26	1.43
1.31	0.74	0.26	1.08	1.00
1.56	1.51	0.92	1.43	1.56
0.05	0.91	1.49	0.32	0.36
3.82	4.27	4.74	4.09	4.35
14.36	12.61	12.30	13.18	12.25
4.94	4.03	4.28	2.87	2.67
2.52	2.58	2.07	2.36	2.25
1.66	0.87	1.66	0.41	0.33
1.49	0.48	0.15	0.90	0.75
0.23	0.93	0.45	0.50	0.24
0.41	0.49	0.59	0.43	0.41
0.67	1.12	1.41	0.54	0.56
0.14	0.08	0.07	0.35	0.28
0.70	0.75	0.40	0.65	0.50
2.10	1.51	2.52	1.71	1.75
14.86	12.84	13.60	10.72	9.74
2.59	1.64	0.34	1.17	1.04
2.82	6.26	5.85	6.60	5.20
0.00	0.27	0.44	0.60	0.95
0.23	0.51	0.40	0.32	0.27
0.14	0.42	0.21	0.36	0.41
0.28	0.48	0.27	0.76	0.21
1.30	1.47	0.95	1.71	1.76
0.66	0.68	0.93	0.66	0.33
8.02	11.73	9.39	12.18	10.17

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	7.41%	4.77%	8.71%
Receivables	36.02	37.22	33.82
Inventories	5.90	5.46	9.00
Other current assets	4.57	8.02	4.47
TOTAL CURRENT ASSETS	53.90	55.47	56.00
FIXED ASSETS			
Real estate	7.77	9.56	8.19
Less: Accumulated depreciation	1.65	2.20	0.67
	6.12	7.36	7.52
Machinery and equipment	64.53	56.58	73.04
Less: Accumulated depreciation	34.90	27.43	45.20
	29.63	29.15	27.84
Other fixed assets	11.55	7.01	14.57
Less: Accumulated depreciation	5.90	3.47	6.25
	5.65	3.54	8.32
NET FIXED ASSETS	41.40	40.05	43.68
OTHER ASSETS	4.70	4.48	0.32
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	10.40	6.86	7.83
Accounts payable	10.82	7.82	21.59
Other current liabilities	10.81	11.37	12.37
TOTAL CURRENT LIABILITIES	32.03	26.05	41.79
LONG-TERM LIABILITIES	31.44	22.94	41.11
TOTAL LIABILITIES	63.47	48.99	82.90
SHAREHOLDERS' AND PROPRIETORS' EQUITY	36.53	51.01	17.10
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.68	2.13	1.34
QUICK RATIO	1.50	1.92	1.12
TOTAL LIABILITIES TO EQUITY	1.74	0.96	4.85
LONG-TERM LIABILITIES TO EQUITY	0.86	0.45	2.40
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.54	0.48	0.62

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
15.44%	4.45%	5.97%	6.58%	2.82%
31.77	37.73	46.50	36.69	33.65
5.01	5.04	5.57	5.91	5.92
4.91	5.46	5.49	4.06	7.90
57.13	52.68	63.53	53.24	50.29
1.04	8.71	2.33	8.95	13.03
0.71	1.11	0.53	2.39	3.00
0.33	7.60	1.80	6.56	10.03
79.38	62.89	61.08	59.65	54.40
50.68	32.76	30.63	29.66	24.87
28.70	30.13	30.45	29.99	29.53
17.65	8.98	9.01	10.65	7.12
11.88	4.72	4.83	4.89	3.40
5.77	4.26	4.18	5.76	3.72
34.80	41.99	36.43	42.31	43.28
8.07	5.33	0.04	4.45	6.43
100.00	100.00	100.00	100.00	100.00
11.49	10.10	4.16	10.84	7.72
9.78	7.60	3.36	10.44	7.73
7.85	14.16	10.77	9.49	11.19
29.12	31.86	18.29	30.77	26.64
21.24	36.04	19.93	29.59	24.20
50.36	67.90	38.22	60.36	50.84
49.64	32.10	61.78	39.64	49.16
100.00	100.00	100.00	100.00	100.00
1.96	1.65	3.47	1.73	1.89
1.79	1.50	3.17	1.54	1.67
1.01	2.12	0.62	1.52	1.03
0.43	1.12	0.32	0.75	0.49
0.64	0.52	0.50	0.50	0.46

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 38,362	$ 47,611	$ 25,124
Average assets per factory employee (Excluding Executives)	56,082	67,479	43,353
Average net worth per employee - All employees	13,679	23,167	3,026
Average gross plant investment per factory employee (Excluding Executives)	45,767	52,487	39,725
Net worth percentage of fixed assets	121.62%	169.96%	63.71%
EMPLOYEES			
Percent factory - All employees	74.88%	76.69%	72.43%
Percent administrative - All employees	14.13	13.20	23.57
Percent sales - All employees	10.99	10.11	4.00
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 69,070	$ 78,823	$ 50,805
Sales per factory employee	93,072	104,834	71,735
Sales less material per factory employee	73,852	83,702	55,085
Sales per administrative employee	622,212	774,197	229,511
EXCLUDING EXECUTIVES			
Sales per employee - All employees	77,533	86,623	67,194
Sales per factory employee	99,918	110,927	84,866
Sales less material per factory employee	79,249	88,552	65,189
SALES PER SALESMAN	715,110	1,312,832	0
SALES TO CURRENT ASSETS	411%	341%	437%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	51.42%	47.28%	42.97%
Factory payroll percentage of gross plant investment	102.31	95.46	81.94
Payroll per employee - All employees	$ 35,304	$ 37,449	$ 21,943
Payroll per factory employee	32,755	34,820	22,220
Payroll per administrative employee	39,644	40,897	22,674
Payroll per sales employee	50,259	58,469	4,209
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 27,811	$ 29,389	$ 16,466
Payroll per factory employee	27,141	28,380	17,339
Payroll per administrative employee	18,196	20,033	14,254
Payroll per sales employee	42,092	51,875	2,775
EXECUTIVE PAYROLL			
Payroll per executive - All executives	57,185	60,560	30,091
Payroll per factory executive	35,551	36,358	26,049
Payroll per administrative executive	71,327	87,885	27,148
Payroll per sales executive	43,072	45,792	6,476
RECEIVABLES			
Collection period	68.4	77.9	53.9
PROFIT			
Gross profit percentage of sales	30.34%	34.35%	30.28%
Average gross profit per factory employee	$ 30,659	$ 37,846	$ 25,285
Income before taxes percentage of sales	4.84%	11.22%	4.37%
Average income before taxes per employee	$ 3,643	$ 8,730	$ 2,162

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 23,059	$ 36,115	$ 43,024	$ 46,405	$ 52,339
33,502	56,121	66,869	64,720	72,436
10,456	13,373	26,129	16,995	24,015
29,559	45,790	48,857	51,297	57,806
210.04%	90.27%	206.91%	127.50%	158.55%
77.29%	70.22%	70.90%	77.22%	77.63%
14.68	15.73	17.42	11.09	11.67
8.03	14.05	11.68	11.69	10.70
$ 49,878	$ 66,701	$ 77,800	$ 79,284	$ 82,884
64,732	96,156	112,945	103,494	107,900
52,695	74,487	86,285	83,120	87,470
380,372	481,033	628,323	844,330	873,573
58,915	75,290	89,132	85,807	89,187
69,597	102,882	121,115	109,553	113,243
56,679	79,652	92,444	87,983	91,840
305,179	398,812	471,067	950,564	1,673,588
52%	395%	292%	385%	360%
58.81%	50.30%	44.48%	51.91%	49.96%
115.07	85.97	75.09	111.93	102.27
$ 28,806	$ 33,388	$ 34,365	$ 40,904	$ 41,051
27,122	31,144	31,142	37,355	38,457
37,069	34,838	40,844	46,513	43,086
29,127	42,767	48,397	69,692	68,323
$ 22,338	$ 25,739	$ 25,127	$ 32,787	$ 32,976
22,720	25,600	23,250	31,230	32,155
12,586	16,457	18,018	21,425	21,654
14,210	34,778	43,976	61,729	60,272
35,440	55,243	48,319	69,760	68,447
29,888	39,590	39,529	36,988	36,419
36,775	61,752	57,479	94,939	104,863
17,004	51,889	16,381	53,227	60,683
56.8	73.6	91.9	71.9	74.4
25.54%	31.52%	35.86%	30.98%	33.02%
$ 17,644	$ 33,214	$ 43,770	$ 33,889	$ 37,314
2.88%	3.17%	10.22%	6.32%	11.35%
$ 1,638	$ 2,453	$ 7,945	$ 5,109	$ 9,306

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 4.36	$ 2.44	$ 3.89
Receivables	18.16	21.01	14.40
Inventories	3.01	3.24	4.57
Marketable securities	0.71	1.77	0.00
Other current assets	1.79	2.77	1.74
	28.03	31.23	24.60
Plant Investment:			
Land and building	5.15	6.04	5.53
Machinery and equipment	33.95	35.11	34.13
Other fixed assets	5.49	3.98	4.98
	44.59	45.13	44.64
Non-Current Assets	2.32	2.43	0.15
TOTAL INVESTMENT	74.94	78.79	69.39
INVESTMENT TURNOVER PER $100 OF SALES	133.44%	126.92%	144.11%
EARNINGS			
Cost of Product	$69.66	$65.65	$69.72
Selling Expenses	10.65	9.89	4.12
Administrative Expenses	12.58	11.25	17.76
	92.89	86.79	91.60
Income Before Interest, Other Income (Expense), and Taxes	7.11	13.21	8.40
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.49%	16.77%	12.11%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 6.78	$ 2.83	$ 3.51	$ 4.62	$ 1.50
15.45	19.43	25.04	19.05	20.08
2.68	2.29	2.93	3.13	3.66
0.78	0.40	0.00	1.01	2.55
1.65	2.47	3.00	1.47	2.24
27.34	27.42	34.48	29.28	30.03
0.81	6.58	1.28	5.44	8.30
32.97	32.86	33.89	34.74	36.52
8.93	4.23	4.71	5.37	4.17
42.71	43.67	39.88	45.55	48.99
3.37	2.78	0.03	2.28	3.49
73.42	73.87	74.39	77.11	82.51
136.20%	135.37%	134.43%	129.68%	121.20%
$74.46	$68.48	$64.14	$69.02	$66.98
8.02	11.73	9.39	12.18	10.17
14.86	12.84	13.60	10.72	9.74
97.34	93.05	87.13	91.92	86.89
2.66	6.95	12.87	8.08	13.11
3.62%	9.41%	17.30%	10.48%	15.89%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	3.87	0.50	1.87	0.97
Other chargeable materials	12.56	14.67	15.41	13.77
Outside services	4.34	7.83	3.46	4.20
TOTAL MATERIALS	20.77	23.00	20.74	18.94
FACTORY PAYROLL	34.62	29.20	34.90	34.44
FACTORY EXPENSES	14.44	10.54	11.88	10.59
TOTAL FACTORY COST OF PRODUCT	69.83	62.74	67.52	63.97
GROSS PROFIT	30.17	37.26	32.48	36.03
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	13.10	12.50	12.98	11.86
Selling expenses	10.11	11.26	11.99	10.04
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.21	23.76	24.97	21.90
INCOME BEFORE INTEREST EXPENSE	6.96	13.50	7.51	14.13
Interest expense	3.14	2.39	2.03	1.65
OPERATING INCOME	3.82	11.11	5.48	12.48
Other income (expense)	(0.40)	(1.31)	0.79	0.34
INCOME BEFORE INCOME TAXES	3.42	9.80	6.27	12.82

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.11%	0.14%	0.34%	0.21%
Film	9.23	10.73	11.22	8.33
Plates	0.78	0.86	0.74	0.55
Other chargeable materials	2.44	2.94	3.11	4.68
TOTAL OTHER CHARGEABLE MATERIALS	12.56	14.67	15.41	13.77
OUTSIDE SERVICES				
Composition	0.32	0.01	0.02	0.04
Offset preparation	0.76	1.91	0.62	0.93
Printing	1.72	2.62	1.38	2.11
Binding	0.35	0.27	0.28	0.53
Other outside services	1.19	3.02	1.16	0.59
TOTAL OUTSIDE SERVICES	4.34	7.83	3.46	4.20

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
0.31	0.23	0.00	2.67
15.37	12.74	19.23	12.98
3.63	3.95	3.65	2.80
19.31	16.92	22.88	18.45
37.13	35.75	39.57	35.96
14.13	15.14	12.82	14.15
70.57	67.81	75.27	68.56
29.43	32.19	24.73	31.44
11.48	12.19	12.70	11.08
9.39	5.99	8.43	13.94
20.87	18.18	21.13	25.02
8.56	14.01	3.60	6.42
3.32	2.92	1.23	1.41
5.24	11.09	2.37	5.01
0.21	0.62	1.34	0.35
5.45	11.71	3.71	5.36
0.25%	0.10%	0.00%	0.17%
9.21	8.39	9.67	6.04
0.87	1.63	6.00	0.50
5.04	2.62	3.56	6.27
15.37	12.74	19.23	12.98
0.05	0.01	0.18	0.06
2.69	3.49	1.14	0.00
0.72	0.13	0.79	0.00
0.02	0.05	0.00	0.18
0.15	0.27	1.54	2.56
3.63	3.95	3.65	2.80

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.90%	1.45%	2.03%	2.50%
Direct wages	24.84	21.89	25.04	24.60
General factory salaries and wages	0.70	0.93	1.35	2.00
Packing, shipping and delivery wages	0.67	0.12	1.19	0.65
Payroll taxes	2.29	2.94	1.91	1.50
Employee benefits	2.22	1.87	3.38	3.19
TOTAL FACTORY PAYROLL	34.62	29.20	34.90	34.44
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.47	0.09	0.19	0.16
Depreciation - other	4.71	4.04	4.21	3.62
Taxes - real estate	0.12	0.21	0.18	0.10
Taxes - other	0.13	0.21	0.09	0.05
Insurance	0.95	1.04	0.65	0.38
Building rent	2.01	0.90	1.49	1.86
Utilities - heat, light, etc.	1.20	0.96	1.01	0.60
Equipment rental	1.42	0.06	0.51	0.69
Total Fixed Expenses	11.01	7.51	8.33	7.46
Other Expenses				
Factory supplies and expense	1.08	1.11	0.83	0.66
Packing, shipping and delivery expense	0.97	0.68	0.64	0.47
Repairs and maintenance	1.24	0.95	1.65	1.88
Other factory expenses	0.14	0.29	0.43	0.12
Total Other Expenses	3.43	3.03	3.55	3.13
TOTAL FACTORY EXPENSES	14.44	10.54	11.88	10.59
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.91	3.94	4.04	3.82
Salaries - office	2.13	1.87	2.94	2.00
Payroll taxes	0.92	1.32	0.64	0.13
Employee benefits	0.69	0.18	1.13	0.71
Bad debts	1.14	0.45	0.58	0.46
Office supplies and expenses	0.65	0.60	0.41	0.50
Professional fees	1.03	1.24	0.77	0.75
Taxes - business	0.28	0.23	0.28	0.72
Telephone	0.74	0.63	0.63	0.55
Other administrative expenses	1.61	2.04	1.56	2.22
TOTAL ADMINISTRATIVE EXPENSES	13.10	12.50	12.98	11.86
SELLING EXPENSES				
Salaries - executive	1.68	0.90	1.74	0.61
Salaries and commissions - salesmen	5.51	6.23	5.52	4.04
Salaries - sales office clerical	0.40	0.95	0.43	1.02
Payroll taxes	0.35	0.49	0.25	0.19
Employee benefits	0.30	0.38	0.39	0.47
Advertising	0.30	0.22	1.34	1.60
Travel and entertainment	1.25	1.54	1.77	1.73
Other selling expenses	0.32	0.55	0.55	0.38
TOTAL SELLING EXPENSES	10.11	11.26	11.99	10.04

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.37%	2.84%	2.61%	2.08%
25.98	25.96	28.97	24.27
2.69	0.82	0.07	3.64
0.83	0.16	0.50	0.52
2.38	2.30	2.70	2.39
2.88	3.67	4.72	3.06
37.13	35.75	39.57	35.96
0.43	0.35	0.00	0.41
5.22	7.21	2.46	5.48
0.11	0.13	0.10	0.27
0.19	0.37	0.03	0.04
0.33	0.21	0.91	0.25
1.45	0.04	1.62	0.59
1.16	0.98	2.19	0.97
0.47	0.05	0.19	1.25
9.36	9.34	7.50	9.26
1.10	1.86	2.01	1.40
1.36	1.28	0.71	1.85
1.76	2.03	1.63	1.06
0.55	0.63	0.97	0.58
4.77	5.80	5.32	4.89
14.13	15.14	12.82	14.15
3.19	2.72	4.65	2.90
2.14	2.83	3.70	2.27
0.67	0.59	0.62	0.30
0.71	1.11	0.70	0.89
0.33	0.25	0.23	0.39
0.37	0.39	0.33	0.45
0.53	0.54	0.58	0.64
0.31	0.34	0.15	0.13
0.78	0.50	0.59	0.63
2.45	2.92	1.15	2.48
11.48	12.19	12.70	11.08
1.10	0.91	0.82	0.49
4.62	2.65	3.60	8.60
0.27	0.02	0.33	0.29
0.31	0.02	0.35	0.52
0.18	0.03	0.33	0.47
0.76	0.29	0.27	0.54
1.13	1.41	1.64	2.01
1.02	0.66	1.09	1.02
9.39	5.99	8.43	13.94

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	9.32%	4.48%	8.22%	7.60%
Receivables	30.07	36.54	39.48	40.03
Inventories	5.33	3.70	5.18	4.32
Other current assets	3.31	7.76	5.29	13.48
TOTAL CURRENT ASSETS	48.03	52.48	58.17	65.43
FIXED ASSETS				
Real estate	9.34	7.27	7.68	4.09
Less: Accumulated depreciation	1.65	1.79	1.37	1.19
	7.69	5.48	6.31	2.90
Machinery and equipment	64.80	58.27	59.23	52.30
Less: Accumulated depreciation	29.22	21.08	35.50	30.82
	35.58	37.19	23.73	21.48
Other fixed assets	8.76	6.09	12.44	3.75
Less: Accumulated depreciation	4.38	2.07	5.45	1.84
	4.38	4.02	6.99	1.91
NET FIXED ASSETS	47.65	46.69	37.03	26.29
OTHER ASSETS	4.32	0.83	4.80	8.28
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	10.69	12.42	12.96	6.45
Accounts payable	12.56	4.88	10.64	12.50
Other current liabilities	9.44	10.46	10.57	11.98
TOTAL CURRENT LIABILITIES	32.69	27.76	34.17	30.93
LONG-TERM LIABILITIES	39.26	29.60	24.73	20.55
TOTAL LIABILITIES	71.95	57.36	58.90	51.48
SHAREHOLDERS' AND PROPRIETORS' EQUITY	28.05	42.64	41.10	48.52
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.50	1.89	1.70	2.12
QUICK RATIO	1.31	1.76	1.55	1.98
TOTAL LIABILITIES TO EQUITY	2.57	1.35	1.43	1.06
LONG-TERM LIABILITIES TO EQUITY	1.40	0.69	0.60	0.42
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.45	0.36	0.60	0.59

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
4.13%	2.28%	2.83%	9.43%
34.62	27.28	44.62	44.13
5.42	7.35	10.88	7.16
4.61	2.01	7.10	4.57
48.78	38.92	65.43	65.29
7.34	21.65	0.00	11.49
1.79	5.32	0.00	4.70
5.55	16.33	0.00	6.79
71.26	60.47	77.93	49.70
38.89	26.67	52.21	27.40
32.37	33.80	25.72	22.30
16.60	8.53	11.15	7.74
9.13	4.74	7.12	4.82
7.47	3.79	4.03	2.92
45.39	53.92	29.75	32.01
5.83	7.16	4.82	2.70
100.00	100.00	100.00	100.00
6.36	2.47	12.39	6.34
8.37	6.84	10.59	10.14
13.67	10.45	12.06	8.95
28.40	19.76	35.04	25.43
36.87	25.54	12.57	29.93
65.27	45.30	47.61	55.36
34.73	54.70	52.39	44.64
100.00	100.00	100.00	100.00
1.72	1.97	1.87	2.57
1.53	1.60	1.56	2.29
1.88	0.83	0.91	1.24
1.06	0.47	0.24	0.67
0.55	0.44	0.67	0.55

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 41,680	$ 48,304	$ 39,900	$ 40,800
Average assets per factory employee (Excluding Executives)	65,124	73,142	56,127	55,409
Average net worth per employee - All employees	10,740	20,289	16,627	20,971
Average gross plant investment per factory employee (Excluding Executives)	50,837	53,227	43,261	33,066
Net worth percentage of fixed assets	84.17%	94.97%	159.50%	242.69%
EMPLOYEES				
Percent factory - All employees	72.84%	70.58%	75.27%	78.93%
Percent administrative - All employees	15.34	17.05	13.19	11.07
Percent sales - All employees	11.82	12.37	11.54	10.00
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 68,452	$ 86,056	$ 71,379	$ 73,263
Sales per factory employee	95,466	124,250	95,637	93,589
Sales less material per factory employee	75,187	95,261	75,853	75,922
Sales per administrative employee	609,381	802,451	695,976	761,022
EXCLUDING EXECUTIVES				
Sales per employee - All employees	79,946	95,357	78,220	80,746
Sales per factory employee	105,428	129,946	100,899	98,950
Sales less material per factory employee	83,056	99,539	79,874	80,237
SALES PER SALESMAN	517,137	703,152	628,694	1,026,019
SALES TO CURRENT ASSETS	458%	342%	338%	287%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	50.49%	45.46%	51.98%	47.43%
Factory payroll percentage of gross plant investment	100.20	74.93	96.16	135.97
Payroll per employee - All employees	$ 34,140	$ 39,302	$ 37,065	$ 36,067
Payroll per factory employee	31,584	35,687	33,834	33,610
Payroll per administrative employee	38,326	38,962	43,927	44,247
Payroll per sales employee	44,760	61,056	57,420	41,081
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 26,720	$ 30,394	$ 29,131	$ 28,933
Payroll per factory employee	26,012	28,868	28,308	28,373
Payroll per administrative employee	15,729	15,436	21,874	24,261
Payroll per sales employee	35,395	52,620	49,699	35,126
EXECUTIVE PAYROLL				
Payroll per executive - All executives	56,557	70,021	64,691	59,306
Payroll per factory executive	34,688	29,731	32,279	37,448
Payroll per administrative executive	60,567	71,882	88,214	99,660
Payroll per sales executive	47,878	52,790	48,891	42,859
RECEIVABLES				
Collection period	60.6	75.1	80.2	80.4
PROFIT				
Gross profit percentage of sales	30.17%	37.26%	32.48%	36.03%
Average gross profit per factory employee	$ 32,953	$ 48,316	$ 32,360	$ 34,802
Income before taxes percentage of sales	3.42%	9.80%	6.27%	12.82%
Average income before taxes per employee	$ 2,722	$ 8,388	$ 4,630	$ 9,486

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 36,646	$ 57,983	$ 25,967	$ 35,171
50,918	80,037	36,759	48,909
12,731	25,872	14,206	17,735
49,816	81,040	32,261	36,289
88.42%	121.68%	194.32%	147.23%
77.35%	81.81%	74.79%	76.64%
13.69	14.43	16.37	10.37
8.96	3.76	8.84	12.99
$ 66,531	$ 78,304	$ 63,910	$ 76,089
86,139	97,609	85,409	99,348
69,494	80,828	66,009	80,923
545,301	628,663	480,152	766,563
72,995	85,730	71,937	82,526
90,717	104,917	90,859	105,627
73,198	86,859	70,245	86,186
1,328,764	3,421,452	431,583	484,816
453%	457%	417%	367%
50.32%	46.65%	54.67%	52.69%
89.20	73.14	120.45	157.36
$ 33,246	$ 35,593	$ 34,865	$ 40,058
31,731	33,621	33,794	35,649
35,585	42,130	33,970	46,432
50,438	82,725	38,632	61,143
$ 26,522	$ 27,380	$ 26,813	$ 32,677
26,531	27,180	26,800	30,012
15,146	19,688	19,435	21,698
44,740	76,321	25,920	55,933
51,368	56,707	47,788	55,482
45,317	41,357	37,645	23,338
59,745	85,131	53,982	107,777
38,452	37,017	19,232	35,923
63.5	66.1	68.6	70.5
29.43%	32.19%	24.73%	31.44%
$ 26,685	$ 33,138	$ 22,571	$ 33,191
5.45%	11.71%	3.71%	5.36%
$ 4,007	$ 8,871	$ 2,691	$ 4,123

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 6.28	$ 2.64	$ 5.17	$ 3.73
Receivables	15.98	20.31	21.19	21.65
Inventories	2.92	2.10	2.83	2.40
Marketable securities	0.01	0.00	1.49	3.96
Other current assets	2.08	4.46	1.46	3.37
	27.27	29.51	32.14	35.11
Plant Investment:				
Land and building	6.67	4.24	4.98	2.60
Machinery and equipment	36.33	32.99	31.42	28.85
Other fixed assets	4.31	3.40	6.53	2.23
	47.31	40.63	42.93	33.68
Non-Current Assets	1.96	0.49	2.72	4.53
TOTAL INVESTMENT	76.54	70.63	77.79	73.32
INVESTMENT TURNOVER PER $100 OF SALES	130.65%	141.58%	128.55%	136.39%
EARNINGS				
Cost of Product	$69.83	$62.74	$67.52	$63.97
Selling Expenses	10.11	11.26	11.99	10.04
Administrative Expenses	13.10	12.50	12.98	11.86
	93.04	86.50	92.49	85.87
Income Before Interest, Other Income (Expense), and Taxes	6.96	13.50	7.51	14.13
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.09%	19.11%	9.65%	19.27%

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 1.29	$ 0.62	$ 0.98	$ 4.02
17.04	17.81	18.67	18.47
2.86	4.90	4.08	3.29
0.51	0.00	0.00	2.38
1.80	1.08	2.70	0.47
23.50	24.41	26.43	28.63
4.72	13.97	0.00	5.90
38.44	48.16	30.52	24.20
6.80	4.84	4.87	3.88
49.96	66.97	35.39	33.98
2.89	3.77	1.99	1.17
76.35	95.15	63.81	63.78
130.98%	105.10%	156.72%	156.79%
$70.57	$67.81	$75.27	$68.56
9.39	5.99	8.43	13.94
11.48	12.19	12.70	11.08
91.44	85.99	96.40	93.58
8.56	14.01	3.60	6.42
11.21%	14.72%	5.64%	10.07%

REPORT ON OPERATIONS - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	4.44	1.72	0.60
Other chargeable materials	13.49	14.80	13.44
Outside services	4.17	3.75	5.91
TOTAL MATERIALS	22.10	20.27	19.95
FACTORY PAYROLL	36.22	35.60	34.23
FACTORY EXPENSES	13.78	13.47	12.48
TOTAL FACTORY COST OF PRODUCT	72.10	69.34	66.66
GROSS PROFIT	27.90	30.66	33.34
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	17.84	11.29	10.04
Selling expenses	4.45	12.17	10.50
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.29	23.46	20.54
INCOME BEFORE INTEREST EXPENSE	5.61	7.20	12.80
Interest expense	1.76	2.74	2.01
OPERATING INCOME	3.85	4.46	10.79
Other income (expense)	0.60	0.19	(0.07)
INCOME BEFORE INCOME TAXES	4.45	4.65	10.72

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.68%	0.16%	0.12%
Film	12.01	9.37	8.84
Plates	0.80	1.11	1.13
Other chargeable materials	0.00	4.16	3.35
TOTAL OTHER CHARGEABLE MATERIALS	13.49	14.80	13.44
OUTSIDE SERVICES			
Composition	0.96	0.07	0.08
Offset preparation	0.79	1.16	1.96
Printing	1.18	1.21	1.75
Binding	0.96	0.14	0.30
Other outside services	0.28	1.17	1.82
TOTAL OUTSIDE SERVICES	4.17	3.75	5.91

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	4.56%	2.42%	1.90%
Direct wages	25.01	25.56	25.01
General factory salaries and wages	0.00	1.73	1.39
Packing, shipping and delivery wages	2.03	0.60	0.38
Payroll taxes	2.08	2.26	2.29
Employee benefits	2.54	3.03	3.26
TOTAL FACTORY PAYROLL	36.22	35.60	34.23
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.33	0.34	0.21
Depreciation - other	3.18	4.86	5.16
Taxes - real estate	0.16	0.14	0.17
Taxes - other	0.05	0.13	0.21
Insurance	1.85	0.45	0.51
Building rent	2.59	1.45	0.80
Utilities - heat, light, etc.	1.28	1.20	1.01
Equipment rental	1.35	0.75	0.11
Total Fixed Expenses	10.79	9.32	8.18
Other Expenses			
Factory supplies and expense	0.56	1.19	1.50
Packing, shipping and delivery expense	1.06	0.96	0.83
Repairs and maintenance	1.33	1.55	1.44
Other factory expenses	0.04	0.45	0.53
Total Other Expenses	2.99	4.15	4.30
TOTAL FACTORY EXPENSES	13.78	13.47	12.48
ADMINISTRATIVE EXPENSES			
Salaries - executive	6.55	3.17	2.90
Salaries - office	3.26	2.35	2.12
Payroll taxes	1.51	0.54	0.63
Employee benefits	1.38	0.71	0.53
Bad debts	0.54	0.73	0.30
Office supplies and expenses	0.73	0.43	0.45
Professional fees	0.65	0.81	0.75
Taxes - business	0.34	0.26	0.25
Telephone	0.61	0.71	0.45
Other administrative expenses	2.27	1.58	1.66
TOTAL ADMINISTRATIVE EXPENSES	17.84	11.29	10.04
SELLING EXPENSES			
Salaries - executive	1.66	1.42	0.94
Salaries and commissions - salesmen	0.61	6.50	5.64
Salaries - sales office clerical	0.00	0.46	0.89
Payroll taxes	0.04	0.39	0.33
Employee benefits	0.03	0.38	0.38
Advertising	1.13	0.64	0.20
Travel and entertainment	0.65	1.68	1.67
Other selling expenses	0.33	0.70	0.45
TOTAL SELLING EXPENSES	4.45	12.17	10.50

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	16.63%	5.58%	3.80%
Receivables	33.22	36.94	38.07
Inventories	7.76	5.55	5.98
Other current assets	5.31	4.54	7.95
TOTAL CURRENT ASSETS	62.92	52.61	55.80
FIXED ASSETS			
Real estate	5.90	7.86	9.50
Less: Accumulated depreciation	0.95	1.83	2.52
	4.95	6.03	6.98
Machinery and equipment	72.76	63.49	57.83
Less: Accumulated depreciation	51.85	31.81	27.47
	20.91	31.68	30.36
Other fixed assets	16.58	10.29	6.61
Less: Accumulated depreciation	9.95	4.90	3.12
	6.63	5.39	3.49
NET FIXED ASSETS	32.49	43.10	40.83
OTHER ASSETS	4.59	4.29	3.37
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	6.95	11.37	7.22
Accounts payable	14.42	10.29	7.06
Other current liabilities	12.61	10.41	11.11
TOTAL CURRENT LIABILITIES	33.98	32.07	25.39
LONG-TERM LIABILITIES	24.35	33.32	23.56
TOTAL LIABILITIES	58.33	65.39	48.95
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.67	34.61	51.05
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.85	1.64	2.20
QUICK RATIO	1.62	1.47	1.96
TOTAL LIABILITIES TO EQUITY	1.40	1.89	0.96
LONG-TERM LIABILITIES TO EQUITY	0.58	0.96	0.46
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.71	0.50	0.48

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 19,702	$ 42,687	$ 52,044
Average assets per factory employee (Excluding Executives)	29,038	62,536	74,445
Average net worth per employee - All employees	7,178	14,959	25,108
Average gross plant investment per factory employee (Excluding Executives)	24,360	50,952	58,331
Net worth percentage of fixed assets	178.22%	109.06%	174.03%
EMPLOYEES			
Percent factory - All employees	76.67%	74.17%	74.94%
Percent administrative - All employees	19.76	12.96	13.21
Percent sales - All employees	3.57	12.87	11.85
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 49,594	$ 73,695	$ 84,147
Sales per factory employee	65,430	99,892	113,464
Sales less material per factory employee	50,341	79,538	90,410
Sales per administrative employee	307,674	694,975	845,529
EXCLUDING EXECUTIVES			
Sales per employee - All employees	61,435	81,523	91,947
Sales per factory employee	71,743	106,943	119,741
Sales less material per factory employee	55,026	85,155	95,397
SALES PER SALESMAN	317,650	576,262	812,665
SALES TO CURRENT ASSETS	533%	378%	314%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	51.27%	51.53%	48.60%
Factory payroll percentage of gross plant investment	120.08	98.73	95.75
Payroll per employee - All employees	$ 25,419	$ 37,691	$ 40,590
Payroll per factory employee	23,673	35,008	37,955
Payroll per administrative employee	35,561	40,333	42,136
Payroll per sales employee	10,793	56,872	58,070
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 18,644	$ 30,053	$ 32,177
Payroll per factory employee	18,874	29,208	31,120
Payroll per administrative employee	14,857	18,871	20,817
Payroll per sales employee	4,417	48,313	51,004
EXECUTIVE PAYROLL			
Payroll per executive - All executives	39,173	61,266	64,608
Payroll per factory executive	30,551	36,726	37,660
Payroll per administrative executive	36,877	78,711	94,774
Payroll per sales executive	9,280	51,542	54,118
RECEIVABLES			
Collection period	48.6	73.4	81.9
PROFIT			
Gross profit percentage of sales	27.90%	30.66%	33.34%
Average gross profit per factory employee	$ 19,327	$ 33,267	$ 40,211
Income before taxes percentage of sales	4.45%	4.65%	10.72%
Average income before taxes per employee	$ 2,084	$ 3,863	$ 9,055

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 7.04	$ 3.87	$ 2.11
Receivables	13.06	19.44	22.16
Inventories	3.51	2.92	3.60
Marketable securities	0.59	0.76	2.09
Other current assets	1.57	1.88	2.64
	25.77	28.87	32.60
Plant Investment:			
Land and building	4.07	5.24	6.22
Machinery and equipment	23.54	36.61	37.40
Other fixed assets	6.63	5.14	3.84
	34.24	46.99	47.46
Non-Current Assets	1.78	2.21	1.88
TOTAL INVESTMENT	61.79	78.07	81.94
INVESTMENT TURNOVER PER $100 OF SALES	161.84%	128.09%	122.04%
EARNINGS			
Cost of Product	$72.10	$69.34	$66.66
Selling Expenses	4.45	12.17	10.50
Administrative Expenses	17.84	11.29	10.04
	94.39	92.80	87.20
Income Before Interest, Other Income (Expense), and Taxes	5.61	7.20	12.80
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.08%	9.22%	15.62%

** Sample insufficent for Profit Leaders.

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	46	$2,280,000	$4,093,000	$251,000
TOTAL - PROFIT LEADERS*	13	3,151,000	5,347,000	611,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	5	217,000	432,000	20,000
$500,000-$1,500,000	6	479,000	921,000	14,000
$1,500,000-$3,000,000	12	1,306,000	2,405,000	73,000
Over $3,000,000	23	3,706,000	6,596,000	456,000
PROFIT LEADERS				
$1,500,000-$3,000,000	3	1,271,000	2,286,000	233,000
Over $3,000,000	9	4,106,000	6,909,000	798,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	16	1,991,000	3,233,000	166,000
Advertising Agencies	14	2,595,000	4,410,000	301,000
Publishers	9	2,831,000	5,668,000	378,000
Carton Manufacturers	4	637,000	1,586,000	79,000
Other	3	2,887,000	5,812,000	324,000
PROFIT LEADERS				
Printers and Lithographers	4	2,392,000	4,253,000	422,000
Advertising Agencies	4	3,097,000	5,290,000	679,000
Publishers	3	4,299,000	7,190,000	864,000
BY TYPE OF WORK				
ALL FIRMS				
Black and White	8	257,000	691,000	26,000
Color Work	37	2,636,000	4,661,000	265,000
PROFIT LEADERS				
Color Work	11	3,226,000	5,343,000	577,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 30.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1985 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1986 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director, PIA Financial Services